



# Recommendation of the Council on the Benchmark Definition of Foreign Direct Investment

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## Background Information

The Recommendation on the Benchmark Definition of Foreign Direct Investment (hereafter the “Recommendation”) was adopted by the OECD Council on 22 May 2008 and last revised on 23 April 2025 on the proposal of the Investment Committee. The Recommendation sets the global standard for the compilation of Foreign Direct Investment (FDI) statistics.

### *The need for a standard on foreign direct investments*

FDI is an important means of economic and financial integration of economies. As early as 1983, the OECD adopted the first “Benchmark Definition of Foreign Direct Investment” (BD), which provided a comprehensive set of rules to improve statistical measures of FDI. The Benchmark Definition of Foreign Direct Investment sets the international standards for the compilation of FDI statistics. Internationally comparable FDI statistics are an important input into economic and financial analysis and policymaking. The 5th edition of the BD (BD5), included as an appendix to the Recommendation, was updated to reflect changes in the real economy and developments in financial markets.

### *2025 revision of the Recommendation*

The process for updating statistical standards was undertaken in close consultation with national statistical offices and central banks, who participated in identifying topics for the update, in developing technical recommendations and guidance, and in testing proposals. The update of the Benchmark Definition was undertaken by the OECD Working Group on International Investment Statistics (WGIIIS), a subsidiary body of the OECD Investment Committee (IC) and the Committee on Statistics and Statistical Policy (CSSP). Several rounds of consultations on various elements of BD5 have taken place within the WGIIIS but also at the level of the IC and CSSP (including its subsidiary body, Working Party on Trade in Goods and Services). Other international organisations, in particular the International Monetary Fund and the United Nations, have also been consulted multiple times to ensure alignment in the guidance offered to compilers of macro-economic statistics.

### *Scope of the Recommendation*

The Recommendation calls on Adherents to take steps to bring their statistical methodology in line with the BD5. It provides operational guidance on how FDI data should be compiled to meet internationally agreed standards. This edition of the Benchmark Definition introduces new and revised presentations to enhance the analytical usefulness of FDI statistics, such as the classification of FDI by purpose of investment; identification of the ultimate investor economy and ultimate host economy; and the separate identification of pass-through capital. It also includes detailed guidance and numerical examples to support central banks and national statistical offices in the compilation and communication of FDI statistics.

BD5 serves several objectives. It provides:

- a single point of reference for compilers and users of FDI statistics;
- clear guidance for individual countries compiling direct investment statistics as they develop or change their statistical systems;
- international standards for FDI data compilation taking into account the effects of globalisation;
- the basis for economic analysis, especially for international comparisons and for identifying national deviations from the standard that impact on the comparison;
- practical guidance to users of direct investment statistics; and
- an objective basis for measuring methodological differences that may exist among national statistics that need to be taken into account for both cross-country and industry analyses of FDI.

### *Next steps*

To assist in the implementation of the Recommendation, the IC, through the WGIIIS, will continue to serve as a forum to exchange information, including by periodically reporting to the WGIIIS on the status of the implementation of the Benchmark Definition. The WGIIIS will also support and facilitate Adherents' efforts to implement the Recommendation, in co-operation with other relevant international organisations.

## **Implementation**

All Adherents are reporting their FDI statistics to the OECD according to the Recommendation and according to the reporting templates and timelines agreed to. In light of the revision of the Recommendation in 2025, the WGIIIS will regularly discuss how to implement its content at its biannual meetings. Delegates will be regularly invited to share their experience and provide advice on difficult cases.

**THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development (OECD) of 14 December 1960;

**HAVING REGARD** to the standards developed by the OECD in the area of statistical practice;

**CONSIDERING** that improvements have been achieved in the comparability of data collected on foreign direct investment since the first publication of the Benchmark Definition of Foreign Direct Investment (FDI) in 1983 but that however divergences still exist between domestic methodologies and the methodology of the Benchmark;

**RECOGNISING** the desirability of ensuring that the methodology of the Benchmark Definition of FDI continues to reflect the reality of foreign direct investment transactions in a globalising world economy.

**On the proposal of the Investment Committee:**

**I. RECOMMENDS** that Members and non-Members having adhered to this Recommendation (hereafter the “Adherents”) continue to take steps to bring their statistical methodology in line with the Benchmark Definition of FDI as set out in the Appendix, and to consider 2029 as a target year for its full implementation, thereby providing a comparable and reliable basis for users of foreign direct investment statistics.

**II. RECOMMENDS** that Adherents actively co-operate internationally on foreign direct investment statistics. To this effect, Adherents should:

- (i) reinforce co-operation among them on the compilation of FDI statistics, including co-operation on sharing methodologies, national activities and good practices related to FDI statistics that would improve the comparability of data and collection systems; and
- (ii) co-operate with non-Adherents to strengthen their capacity for the collection and compilation of FDI statistics and their communication.

**III. RECOMMENDS** that Adherents provide statistical information to the OECD in order to support its work in this area. To this effect, Adherents should:

- (i) provide national FDI statistics so as to contribute to maintaining a set of comparable and reliable FDI data; and
- (ii) provide periodic reports and information on the implementation of the Benchmark Definition, so as to enable monitoring of progress, including by completing the Survey of Implementation of Methodological Standards for Direct Investment and providing updated information when needed.

**IV. INVITES** the Secretary-General and Adherents to disseminate this Recommendation.

**V. INVITES** non-Adherents to take account of and to adhere to this Recommendation subject to a review by the Working Group on International Investment Statistics (WGIIS).

**VI. ENCOURAGES** national central banks, national statistics offices, and other official national compilers of foreign direct investment statistics to promote and follow this Recommendation.

**VII. INSTRUCTS** the Investment Committee, through the WGIIS, to:

- a) Serve as a forum to exchange information, good practices and innovative experiences with respect to the implementation of this Recommendation, including by:
  - (i) Taking steps for the harmonisation of FDI statistics to respond to the needs of the analysis of the global economy; and
  - (ii) keeping abreast of new developments impacting statistical methodologies, including issues indicated in Annex D of the Benchmark Definition.
- b) Support and facilitate Adherents' efforts to implement this Recommendation, in co-operation with other relevant international organisations and stakeholders, including through:
  - (i) collecting and publishing at regular intervals stock and flow data of inward and outward foreign direct investment;
  - (ii) preparing accompanying methodological notes in light of the results of the Survey of Implementation of Methodological Standards for Direct Investment;
  - (iii) documenting areas where the methodology used by Adherents differs from the Benchmark Definition.
- c) Report to Council on the implementation, dissemination and continued relevance of this Recommendation no later than five years following its revision and at least every ten years thereafter.

#### Appendix

*The 5<sup>th</sup> edition of the Benchmark Definition of Foreign Direct Investment is available at this [link](#).*

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